

REMARKS

Applicant elected to prosecute Species I. Currently, claims 1-3, 15-19, 29, and 30 are generic, claims 4-9, 20-24 read on Species I and withdrawn claims 10-14 and 25-28 read on Species II.

Claims 1-9, 15-24, 29, and 30 are presented for examination.

35 U.S.C § 101

The examiner rejected Claims 16-24 and 29 under 35 U.S.C. 101 as being directed to non-statutory subject matter.

Applicant has amended claims 1-9 to further clarify the invention, and claims 16 and 17 to overcome this rejection.

35 U.S.C §112

The examiner rejected Claims 1-9, 15-24, 29, and 30 under 35 U.S.C. 112, second paragraph, as being indefinite.

Applicant has amended the preambles of claims 1, 16, 17, 30 to recite "calculating a predicted opening index price" or analogous limitations.

35 U.S.C § 102

The examiner rejected Claims 1-3, 15-19, 29, and 30 under 35 U.S.C. 102(e) as being anticipated by Ciampi et al. (U.S. Patent No. 7,167,837). The examiner stated:

Ciampi discloses a process, executing on a computer, for predicting an opening index price of a security index that includes at least two discrete securities, the process comprising:

[Claim 1] a trade monitoring process for monitoring at least a portion of the trading of said discrete securities that occur outside of a regular trading session (col. 5, lines 1-14; col. 6, lines 5-39); and
a closing price variation calculation process, responsive to said trade monitoring process, for calculating the predicated opening index price of the security index for the beginning of the next regular trading session with respect to a closing index price of said security index at the end of the previous regular trading session, wherein said index prices are indicative of a cumulative value of said

discrete securities (col. 6, lines 5-67; col. 7, lines 30-38; col. 8, line 32 though col. 11, line 33; claim 8 of Ciampi).

Claim 1

Claim 1, as amended, is directed to a computer for calculating a predicted opening index price of a security index. Claim 1 includes the features of: "... instructions to monitor at least a portion of the trading of said discrete securities that occur outside of a regular trading session and calculate a predicated opening index price of the security index for the beginning of the next regular trading session with respect to a closing index price of said security index at the end of the previous regular trading session, wherein said index prices are indicative of a cumulative value of said discrete securities.

The examiner contends that Ciampi discloses "**monitoring at least a portion of the trading of said discrete securities that occur outside of a regular trading session (col. 5, lines 1-14; col. 6, lines 5-39.)**" Applicant disagrees. At Col. 5, lines 1-14, Ciampi discloses determining the value of the second set of assets that are traded at different hours of the day than that of the mutual fund. However, that is not after hours trading. Ciampi second set of assets are merely international assets that are traded at different times than a US based mutual fund.¹ Accordingly Ciampi neither describes nor suggests this feature.

The examiner also argues that Ciampi discloses: "**calculating the predicated opening index price of the security index for the beginning of the next regular trading session with respect to a closing index price of said security index at the end of the previous regular trading session, wherein said index prices are indicative of a cumulative value of said discrete securities (col. 6, lines 5-67; col. 7, lines 30-38; col. 8, line 32 though col. 11, line 33; claim 8 of Ciampi.)**" Applicant also disagrees with this contention. Ciampi discloses a regression analysis in the cited passages. However, nothing in these cited passages discloses the claimed feature. Rather, Ciampi is attempting to arrive at fair values of mutual funds that have assets of different classes.

In contrast, the claimed feature requires instructions to calculate a predicted opening index price of the security index for the beginning of the next regular trading session taking into consideration trading of the securities that occurred outside of a regular trading session.

¹ See Ciampi Col. 4, lines 55-56 and 65-67; Col. 5, lines 2,3.

Claim 15

Claim 15 includes the feature of instructions to filter those trades, of the trades that occurred outside of a regular trading session, that were determined to be bad trades from the trades that occur outside of a regular trading session.

The examiner contends that this is described by Ciampi at (col. 5, lines 17-40). At this passage Ciampi discloses variables used in the regression analysis. The examiner further explains this as: “**Prices of trades are eliminated when such prices are deemed to be less significant to the overall calculations. In effect, the elimination of certain prices filters out trades that are deemed "bad" in term of statistical significance.**” However, that is not how Ciampi describes the coefficients and variables.

Rather, Ciampi describes: “For example, the coefficients and the variables may be determined for each of the assets before the current values for the assets are determined.”

Ciampi also describes that:

For example, the regression may include a linear regression such as: 60

$$P_{t+1} - P_{t-1} = a + b * (X_t - X_{t-1}) + c * (Y_t - Y_{t-2}) + \epsilon \quad \text{Eqn. 1}$$

Where:

P is a one dimensional table containing the historical prices for the asset whose fair-value is being estimated. 65

Thus, describes coefficients not trades. These coefficients are elements in the linear regression formula of Col. 5 in Ciampi. Accordingly Ciampi neither describes nor suggests the feature of: “instructions to filter those trades, of the trades that occurred outside of a regular trading session, that were determined to be bad trades from the trades that occur outside of a regular trading session.”

Claims 16 and 30 include analogous limitations as in claim 1, and therefore are allowable for analogous reasons. Claims 17-19 and 29 recite analogous limitations already addressed above in reply to the rejection of claims 1 and 15 and therefore are allowable for analogous reasons.

35 U.S.C § 103

The examiner rejected Claims 4-9 and 20-24 under 35 U.S.C. 103(a) as being unpatentable over Ciampi in view of the Securities and Exchange Commission's release no. 34-41112, file no. SR-CBOE-99-05 (SEC).

As for Claims 4-9 and 20-24 they are allowable at least for the reasons discussed in claim 1 and/or 16.

Ciampi, as the examiner acknowledges, does not explicitly disclose that the security index is a market capitalization weighted index. The examiner argues that "*Ciampi performs its analyses on indexes such as the S&P 500 and the NASDAQ 100 (col. 6, lines 27-31), both of which are known to be capitalization-weighted indexes.*" While this may be true, the analysis disclosed by Ciampi does not relate to the claimed features. As for the E*Commerce Index discussed by SEC, while the article discloses: "*The E*Commerce Index is calculated on a "modified capitalization-weighted" method.*", neither this article nor the combination of this article with Ciampi or the Definition of "Market Capitalization" from wikipedia, cures the deficiencies in the rejection of the main claims.

It is believed that all the rejections and/or objections raised by the examiner have been addressed.

In view of the foregoing remarks, applicant respectfully submits that the application is in condition for allowance and such action is respectfully requested at the examiner's earliest convenience.

All of the dependent claims are patentable for at least the reasons for which the claims on which they depend are patentable.

Canceled claims, if any, have been canceled without prejudice or disclaimer.

Any circumstance in which the applicant has (a) addressed certain comments of the examiner does not mean that the applicant concedes other comments of the examiner, (b) made arguments for the patentability of some claims does not mean that there are not other good reasons for patentability of those claims and other claims, or (c) amended or canceled a claim does not mean that the applicant concedes any of the examiner's positions with respect to that claim or other claims.

Applicant : William Teague et al.
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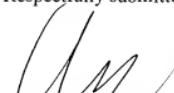
Attorney's Docket No.: 09857-0042001

The Petition for Extension of Time fee of **\$460** is being paid concurrently on the Electronic Filing System by way of deposit authorization.

Please apply any other charges or credits to deposit account 06-1050.

Respectfully submitted,

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